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WORLD AG PRODUCTION . . . GAINING, BUT NOT FAST ENOUGH

World agricultural production for 1965-66 is up about $1\frac{1}{2}$ percent from the previous year, a smaller gain than in each of the 2 previous years. Food output, largely cereal crops, increased less than the rise in world population.

In the Western Hemisphere, Western Europe, and in Western Asia farm production rose faster than population. However, the reverse was true for the rest of the world, particularly in Eastern Europe and the U.S.S.R. In the Far East, including Mainland China, and in Africa, total farm output gained from 1964, but production per person slipped. In nearly all regions, weather played the prime role in determining the size of 1965 crops.

Output of major commodities has varied widely. The leading gainers from 1964-65 are soybeans (up 16 percent), coffee (up 51 percent), and olive oil (up 16 percent). Principal declines are in sugar, apples and pears, potatoes, tobacco, cocoa beans, and wool. Total cereal production was 1 percent above the 1964 level; however, wheat and barley declined. Cotton output was a record, 1 percent above a year earlier.

Farm output in the Western Hemisphere was up substantially from drought-depressed levels last year, due largely to better weather. U.S. production was a record, and so was Can-

ada's. Agricultural production in Latin America, led by Brazil, was also a record high, despite a leveling in Mexico and Peru, and declines in Argentina, Uruguay, and Chile. Output rose faster than population, reversing the situation of a year earlier.

West European output was at a new high. The chief exceptions were Spain and Portugal, where drought has continued. Elsewhere, rains dogged the large harvests, reducing crop quality.

Weather favored the African continent this year. Output has gained about 1 percent over 1964. A 3-percent increase setting a new record in North Africa outpaces a 1-percent rise in the southern part. However, output on a per capita basis has not risen significantly during the past 4 years.

Eastern Europe's farm production dropped sharply. Drought cut the U.S.S.R.'s output of most crops, especially wheat, but livestock production rebounded. Even so, U.S.S.R. agricultural production was down an estimated 8 percent from the "high water" level in 1964.

Farm production in South Asia (mainly India and Pakistan) was at a record high in 1965 due entirely to bumper spring grain crops. However, inadequate rainfall during the monsoon season resulted in a sharply re-



WORLD OUTPUT OF MAJOR AGRICULTURAL PRODUCTS

Commodity	Unit	1964-65	1965-66 ¹	Percent change
Wheat.....	Mil. m.t....	253	245	-3
Rice, rough ² ...	Mil. m.t....	253	253	0
Corn.....	Mil. m.t....	195	208	6
Sugar, centrif. ⁴ ...	Mil. m.t....	65.3	63.5	-3
Potatoes ⁵	Mil. m.t....	246	229	-7
Soybeans.....	Mil. m.t....	28.1	32.5	16
Coconut oil....	1,000 m.t....	2,209	2,200	0
Butter ⁶	1,000 m.t....	5,035	5,080	1
Milk ⁷	Mil. m.t....	286.6	293.7	2
Meats ⁸	Mil. m.t....	50.9	51.0	0
Eggs ⁹	Mil. m.t....	12.6	12.8	1
Tobacco.....	1,000 m.t....	4,652	4,481	-4
Coffee.....	Mil. bags ¹⁰ ...	51.7	78.2	51
Tea.....	1,000 m.t....	1,086	1,096	1
Cocoa.....	1,000 m.t....	1,514	1,420	-6
Cotton.....	Mil. bales ¹¹ ...	52.0	52.5	1
Wool.....	1,000 m.t....	2,629	2,526	-4

¹ Preliminary. ² Includes Communist Asia and U.S.S.R.
⁴ Selected countries. ⁵ 32 countries. ⁶ Product weight; includes ghee. ⁷ 36 countries. ⁸ 44 countries. ⁹ 38 countries. ¹⁰ Bags of 132 pounds each. ¹¹ Bales of 480 pounds net.

duced fall output, especially in India, where the rice crop was down at least 4 million metric tons. The 1966 spring grain crop is expected to be down from last year.

Production in West Asia—Iran, Israel, Turkey, etc.—rose about 1 percent from the high level a year earlier but is down 1 percent per capita.

Output in the Far East (excluding Mainland China) was up only slightly.

The small gain was mainly because of a large rise in wheat production, more than offsetting a decline in rice. Mainland China's agricultural output probably equaled or exceeded 1964 levels.

Widespread drought will sharply curtail 1965-66 harvests in Australia, cutting wheat and livestock production. In contrast, New Zealand's meat output is up an estimated 9 percent.

*Economic Research Service
Foreign Agricultural Service*

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DEVELOPING NATIONS SET OUTSTANDING MARKS FOR PROGRESS

"Nothing succeeds like success." This adage seems to apply particularly to the economic progress of a number of the world's developing nations in recent years.

A recent study of the agricultural problems of 26 such countries—7 in Latin America, 4 in Africa, 4 in Europe, 7 in the Near East and South Asia, and 4 in the Far East—showed that between 1948 and 1963, 12 had compounded rates of gain in crop output of more than 4 percent per year.

These rates were higher than achieved by the now economically advanced nations during comparable periods. In fact, the rates are higher than those for the United States during the decades of its most rapid growth—1880-1920 and 1935-40.

The 12 countries are Sudan, Mexico, Costa Rica, the Philippines, Tanganyika, Yugoslavia, Taiwan, Turkey, Venezuela, Thailand, Brazil, and Israel.

Only 5 of the 26 countries—Nigeria, Egypt, Pakistan, Tunisia, and Jordan—failed to increase crop production faster than their populations rose during 1948-63. And from 1955 to 1963, only Tunisia and Jordan had a higher rate of gain in population than in crop output.

Success of the 12 leading countries shows that underdeveloped nations generally can increase per capita production of foods and fibers. The 12 countries differ greatly in many factors long believed to influence farm output—climate, rate of illiteracy, supplies of land, cultural patterns, and systems of government.

But within certain limits, land, labor, better seeds, fertilizers, improved human skills, more efficient organization, and other such factors can be substituted for each other in speeding up farm production in developing nations. For example, Sudan, which has one of the highest rates of illiteracy in the world, has rapidly increased its output since 1948 by emphasizing good farm management practices.

In fact, Sudan's success points up the one factor that does seem to be common in the developing countries with high rates of gain in farm output—aggressive group action.

Despite the progress of many of the study countries, quite a few are a long way from closing the gap between food needs and consumption (based on daily intake of calories per person). Eleven of the nations still lag: Colombia, Sudan, Tunisia, Egypt, Tanganyika, Iran, Jordan, India, Pakistan, the Philippines, and Thailand. Because food supplies are not equally distributed, many of the other 15 countries have large groups of underfed people.

The size of food deficits in the hungry nations is hard for most Americans to comprehend. To illustrate, distributing present food supplies in India as far as they would go at the rate of 2,300 calories per person per day (minimum adequate level) would mean that a tenth of that country's 480 million people would have nothing at all to eat. If this food were distributed at the U.S. consumption rate (3,190 calories per person per day), 153 million Indians would starve.

Population increase is the most critical factor in the developing nations. At present growth rates, most of the study countries will double their present population in 25 to 35 years. Thus if these nations succeed in merely increasing food production at a rate equal to population growth (and their import-export ratios don't change), they will have twice as many hungry people in the next quarter-century.

Rising incomes and urban development accentuate the hunger problem. As more people leave agriculture for jobs in cities and earn higher incomes, per capita demand for food rises. And there are fewer agricultural workers left to produce it.

What will it take to keep the developing nations moving in the right direction? Most need more improvement in education, farm research, agricultural credit, transportation, communications, and marketing.



CREDIT HELPS PREVENT PINCH

The cost-price squeeze generally works in two directions. Farmers are squeezed out of agriculture entirely (or into part-time farming). Or they enlarge their operations and adopt improved farm practices to keep costs in line and stay in business.

Often the deciding factor is credit. And the Farmers Home Administration is a frequent source of the needed cash. Over the years, FHA has provided farm credit for a variety of purposes—farm ownership, current operating expenses,

home improvement, and soil and water improvements.

In a Wisconsin study, the effectiveness of the FHA's lending program was appraised by comparing a group of its borrowers with two other groups of farmers during a recent 5-year period. One group included typical grade A dairymen; the other, members of the Wisconsin Farm Management Association. (Farmers in the association are organized to keep detailed records in cooperation with the University of Wisconsin.)

Many of the FHA borrowers had used their additional capital to expand and enlarge their operations so that they could compete in commercial agriculture. And they had made considerable progress even though their resources and incomes when they applied for FHA loans were so restricted that they had been refused conventional credit.

However, when compared with the grade A producers and the management association members, in terms of crop acreage, production volume, investment, and net income, the FHA borrowers still trailed. This suggests that the management counseling they had received from FHA helped them obtain more land and capital, but that more intensive counseling probably would help the borrowers make even more progress.

The study also revealed that 191 of the 383 borrowers with farm ownership loans had taken part-time jobs. But roughly half of this group appeared to be using the additional income toward establishing themselves as full-time farmers.

Potato Stocks

Storage stocks of potatoes held by growers and local dealers in the fall producing areas of the country totaled a record-high 147.7 million hundredweight on December 1, 1965, according to the Crop Reporting Board. These holdings are 28 percent more than the 115.6 million hundredweight on hand December 1, 1964, and slightly above the previous high on December 1, 1961.

These stocks consist of fall potatoes held for all uses December 1.

FARM REAL ESTATE VALUE INDEXES

The index of average prices per acre for farm real estate was 145 as of November 1, 1965, 6 percent above a year earlier and 4 percent above March 1965. By regions, changes during the year ended November 1 ranged from 3 percent in the Southern Plains to 11 percent in the Delta States. Indexes for the Northeast, Corn Belt, Northern Plains, and Mountain States were all up 7 percent.

Among the 48 States, Mississippi led with a gain of 13 percent, followed by 6 States with 10 percent, and 5 States with 9 percent. Only 4 States did not show significant increases.

Values remained unchanged from a year earlier in Kentucky and West Virginia, and increased only 1 percent in Texas and 2 percent in Florida. Prices for irrigated land dipped slightly in Texas, partly offsetting small gains in prices of unirrigated land and pasture. In Florida, recovery of citrus groves and new plantings weakened market values and checked the previous strong uptrend in the index.

State	1964	1965	1965	State	1964	1965	1965
	Nov. 1	Mar. 1	Nov. 1		Nov. 1	Mar. 1	Nov. 1
1957-59=100				1957-59=100			
Maine.....	128	128	132	North Dakota.....	137	138	144
New Hampshire...	131	133	141	South Dakota.....	135	135	142
Vermont.....	128	128	138	Nebraska.....	133	135	141
Massachusetts.....	131	134	140	Kansas.....	129	131	139
Rhode Island.....	132	133	144	Northern Plains..	132	134	141
Connecticut.....	133	135	142	Virginia.....	130	135	139
New York.....	125	130	134	West Virginia.....	131	131	131
New Jersey.....	135	137	146	North Carolina...	138	141	144
Pennsylvania.....	138	141	145	Kentucky.....	144	148	144
Delaware.....	151	153	166	Tennessee.....	150	150	167
Maryland.....	150	157	165	Appalachian.....	140	143	147
Northeast.....	135	138	144	South Carolina....	139	144	153
Michigan.....	125	127	135	Georgia.....	159	167	172
Wisconsin.....	118	118	122	Florida.....	178	182	182
Minnesota.....	120	121	126	Alabama.....	152	159	176
Lake States.....	120	122	127	Southeast.....	161	167	171
Ohio.....	123	125	131	Montana.....	142	142	153
Indiana.....	122	125	129	Idaho.....	124	126	132
Illinois.....	119	124	128	Wyoming.....	140	141	150
Iowa.....	114	117	124	Colorado.....	135	136	141
Missouri.....	136	140	143	New Mexico.....	140	141	153
Corn Belt.....	121	125	129	Arizona.....	145	147	155
Mississippi.....	145	148	164	Utah.....	127	127	137
Arkansas.....	165	167	181	Nevada.....	132	132	140
Louisiana.....	154	154	170	Mountain.....	135	136	145
Delta States.....	155	156	172	Washington.....	122	122	130
Oklahoma.....	154	158	167	Oregon.....	123	123	134
Texas.....	156	159	158	California.....	159	160	167
Southern Plains..	156	158	160	Pacific.....	149	150	157
				48 States....	137	139	145

ANNUAL CROP SUMMARY . . .

LOTS OF NEW RECORDS SET IN 1965

The 1965 crop season set a new high in total production as record yields offset lower acreages for many crops, according to the Crop Reporting Board. The "all crop" production index of 117 (1957-59=100) was 7 points above 1964 and 5 points above the previous high in 1963.

Moisture supplies during 1965 were more favorable than the previous year, and damaging drought was limited chiefly to areas in the Northeast. A late September frost hurt late fields on the northern edge of the North Central Region and lowered crop prospects there. Harvest started late in northern areas, but nearly caught up to the normal pattern, though well behind the advanced 1964 harvest.

Crop yields increased in 1965, regaining the uptrend of recent years, which moisture shortages had interrupted in 1964. A number of major crops set new yield highs in 1965, including the four feed grains, rice, peanuts, cotton, and all hay. Crops with lower yields included tobacco, sugar beets, and dry beans. At 123, the composite index of yields for 28 major crops was 6 percent above the previous high in 1963.

Acreage of the 59 major crops planted or grown in 1965 totaled 307 million, up slightly from 1964 and 2 percent above the low of 301 million in 1962. After a weather lag in spring planting, a favorable May and June enabled farmers to plant most of the acreage intended for 1965 crops.

Acreage harvested for the major crops in 1965 came to 294 million compared with 293 million the year before. Acreage losses after planting were a little larger than last season, especially for winter wheat. Losses increased for winter wheat because of early season abandonment in the Southern Plains. Losses for the other small grains—oats and barley—were down from 1964.

Production of *feed grains* in 1965 totaled 160.7 million tons—17 percent above 1964 and 3 percent above the pre-

vious high in 1963. The corn crop (for grain) was a record high 4,171 million bushels, 16 percent above 1964 and 2 percent over the previous high in 1963.

Output of *food grains* (wheat, rye, and rice) was 44.6 million tons. This was 3 percent above 1964 and 13 percent above average. The wheat crop totaled 1,327 million bushels, also 3 percent above 1964. Rough rice production came to more than 76.9 million bags, 5 percent more than the previous record in 1964.

Oilseed crops rose 16 percent above 1964. Production of soybeans totaled 844 million bushels, 20 percent above the previous record in 1964.

Production of all *tobacco* in 1965 totaled 1,913 million pounds, 14 percent below a year earlier and the smallest output since 1959.

Noncitrus fruit output during 1965 was 3 percent greater than in 1964 and 14 percent above average. Record crops of grapes and cranberries were responsible. The 1965-66 citrus crop (as of December 1) was forecast at 7 percent above last season and 10 percent above average. Production of edible nuts was up 10 percent.

The 1965 *potato* crop (excluding Alaska and Hawaii) was 21 percent above a year earlier and the third largest on record. Sweetpotato production was 17 percent more than last season and 6 percent above average.

Output of the 27 principal fresh market *vegetables* and melons in 1965 was up 4 percent from 1964 and 3 percent above average. Production of the 10 major vegetables used in commercial processing totaled 3 percent above 1964 and 5 percent above average.

Tonnage of all kinds of *hay* harvested in 1965 totaled 124 million tons—up 7 percent from 1964 and 6 percent above average. (Production estimates include hay cut on acreage diverted under Government programs in counties where permitted.)

Slightly Larger Winter Wheat Crop Was Seeded This Past Fall

Acreage seeded to winter wheat in the fall of 1965, for harvest in 1966, totaled 42.1 million. This was 6 percent less than was seeded for the 1965 crop, but was slightly above average. All major producing States except Colorado seeded less wheat than a year earlier. The largest percentage declines were in Montana and the Corn Belt States. Colorado, where moisture supplies are the best in many years, seeded the same acreage as last year.

A 1966 winter wheat crop of 1,059 million bushels is indicated, based on December 1 conditions. This would be 3 percent larger than the 1965 crop and 7 percent above average. In the past 10 years, the average change in production estimates from December 1 to harvest has been 95 million bushels.

The indicated yield per seeded acre, at 25.1 bushels, is 2.3 bushels above 1965 and 1.6 bushels above average. December 1 conditions indicate that

90.9 percent of the acreage seeded will be harvested for grain compared with 83.5 percent the previous year. The acreage actually harvested for grain, as usual, will depend on weather, insects, and disease, and the decisions of growers about acreage diversion.

Acreage seeded to rye for all purposes in the fall of 1965, estimated at slightly under 4.0 million, was 7 percent below plantings in the fall of 1964 and 11 percent below average.

Sharply reduced plantings in North Dakota and smaller reductions in other North-Central areas accounted for most of the national decline. Excessive rains during the planting season hampered land preparation and delayed plantings in most of the region.

North Dakota, historically the leading rye State, planted only 293,000 acres, 44 percent below a year earlier.

Statistical Reporting Service

MORE PIGS ON THE WAY

The number of hogs and pigs on farms on December 1, 1965, totaled 54.3 million head. This was a decline of 7 percent from a year earlier.

There were 4 percent more animals, however, being kept for breeding purposes.

The June–November 1965 pig crop of 38.6 million head was 5 percent less than in the same months the previous year. The June–November pig crop combined with the December 1964–May 1965 crop gives a crop of 81.6 million head for all of 1965. This is a decline of 8 percent from 1964.

Reports on farmers' intentions show that 6.3 million sows will farrow during December 1965–May 1966. This is 6 percent above a year earlier, but 12 percent below average. Gains in sow farrowings from December–May a year ago are indicated in all regions, as follows: South Atlantic and South Central, 13 percent each; West, 7 percent; East North Central, 6 percent; West North Central, 5 percent; and North Atlantic, 2 percent.

If these intentions are realized and the number of pigs saved per litter follows the trend of recent years, the December 1965–May 1966 pig crop would be about 46.0 million head. This would be 7 percent more than the December 1964–May 1965 crop.






Sows bred and intended for farrowing in the 10 Corn Belt States during December 1965, and in January and February 1966, total about 1.7 million head, 5 percent greater than a year earlier. All States except Wisconsin show increases. Expected farrowings by months in these 10 States are: December, 420,000 sows, up 8 percent; January, 528,000 sows, up 4 percent; and February, 709,000 sows, up 3 percent.

Reported breeding intentions indicate there will be over 3.2 million sows to farrow in the March–May quarter in the Corn Belt States. This would be 5 percent more than in the like period a year earlier. All States show increases.

*R. M. Pallesen
Statistical Reporting Service*

MARKETING

A CHANGING INDUSTRY

1947-49		1964
\$18.3 bil.	Products marketed, farm value 	\$22.5 bil.
\$22.5 bil.	Value added by marketing 	\$47.3 bil.
\$40.8 bil.	Consumer expenditures 	\$69.8 bil.
4.3 mil.	Marketing workers* 	4.8 mil.*
146.0 mil.	Consumers (U.S. population) 	192.5 mil.

*On full-time-equivalent basis.

*Estimate for 1963. Little change expected for 1964.

Agricultural marketing changes constantly. Some of the most far-reaching and significant changes have occurred since W.W. II.

One big change has been the great increase in value added to farm products.

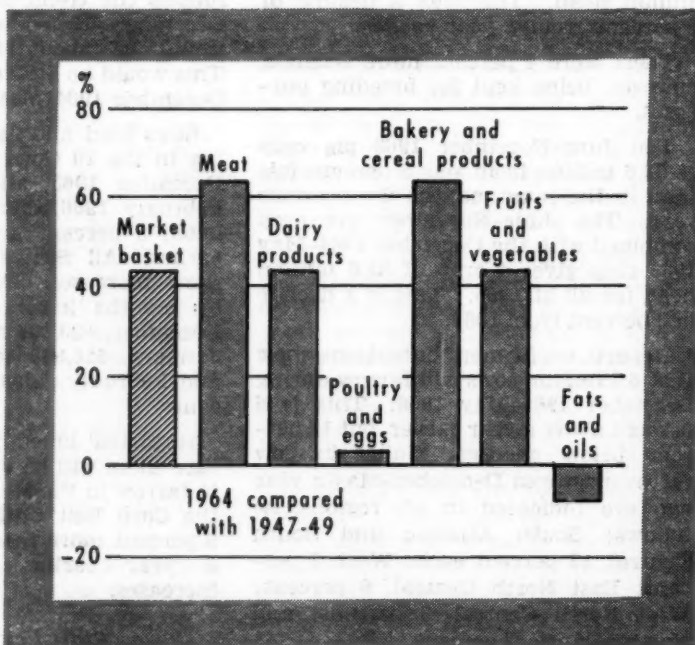
Also, compared with 1947-49, the marketing system today handles a much greater volume and variety of products, employs more workers, and serves many more consumers.

MARKETING SPREADS

One measure of marketing costs is the difference between the retail price of a product and its farm value—its spread.

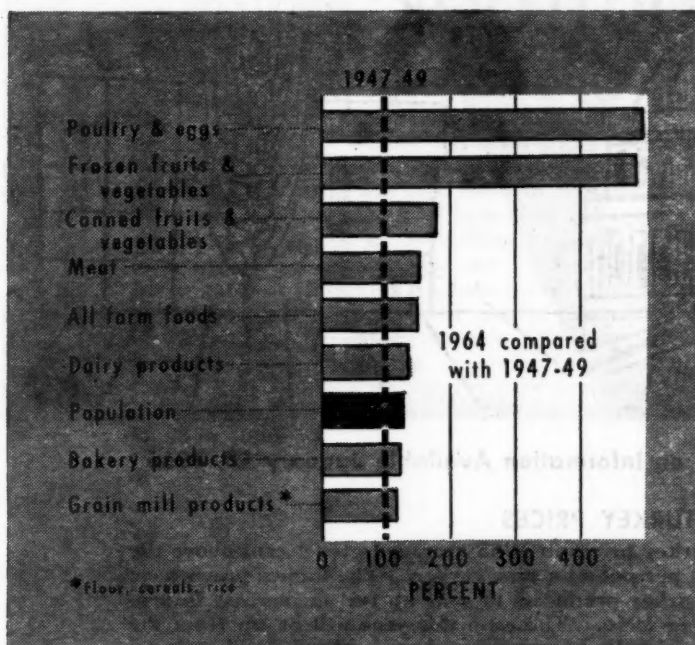
From 1947-49 to 1964 the spread for the Market Basket—a fixed quantity of farm foods—rose 43 percent. However, changes for different groups varied.

For example, the spread for fats and oils declined. But the spreads for meat and for bakery and cereal products rose more than average.



FARM FOODS

PROCESSING CHANGES



The increase in the amount of food processed has been greater, relatively, than population gain.

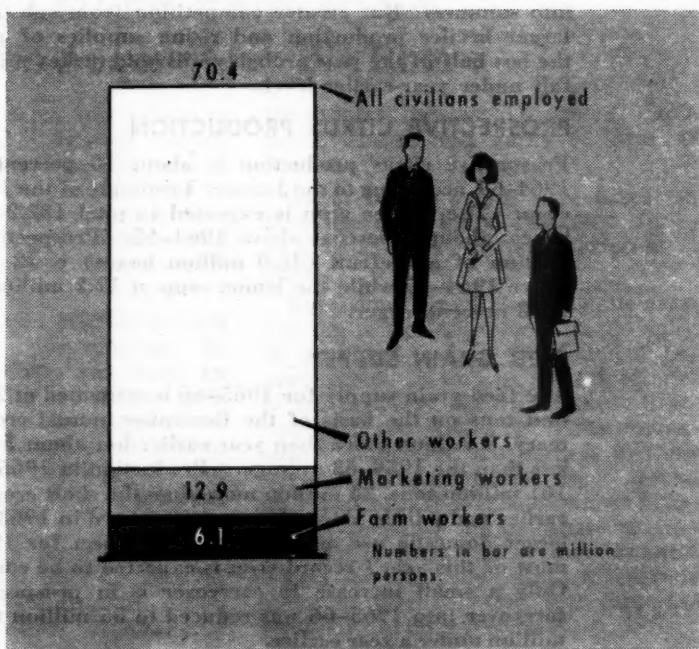
Poultry and frozen fruits and vegetables have risen most, bakery and grain products least.

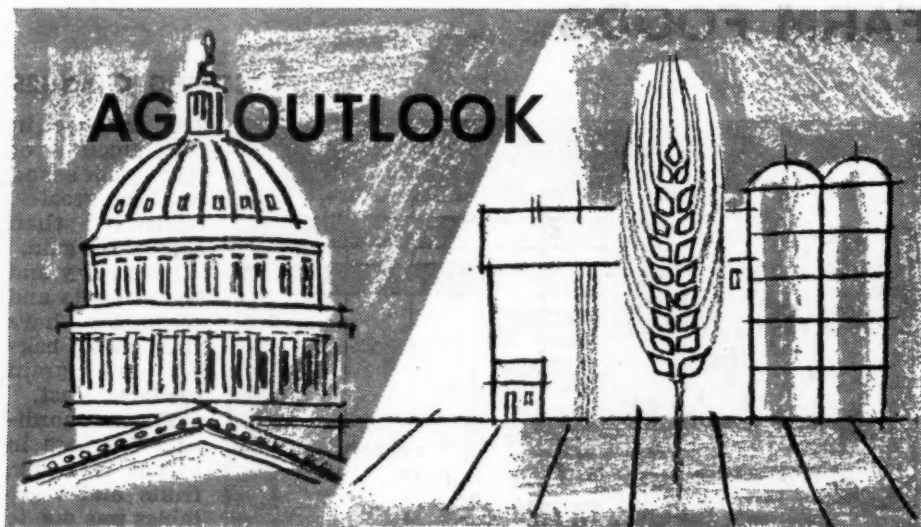
The extraordinary increase in output of frozen fruits and vegetables was due to the success of new freezing processes. The great gain in processed poultry was due almost entirely to higher broiler output.

MARKETING WORKERS

Agricultural marketing reckons its workers in millions. Nearly a fifth of all civilian employment in this country is in marketing, full or part time.

Most of these workers are employed by private enterprises, including farm co-ops. They assemble raw foods, process them, handle and sell them at wholesale and retail, prepare and serve them in eating places, and transport them all along the way.





Based on Information Available January 10, 1966

FARM TURKEY PRICES

Farm turkey prices in 1965 averaged over 1 cent above the 21 cents per pound a year earlier. The higher prices have caused turkey producers to gear up for an increase in production in 1966. The crop this year will be up from the 103.7 million birds in 1965 and probably above the record of 108.1 million in 1961. Turkey demand is expected to continue to benefit from rising consumer incomes throughout the year, and from continued small red meat supplies into summer. But greater competition from substantially larger broiler production and rising supplies of pork in the last half of the year probably will hold turkey prices this fall under year-earlier levels.

PROSPECTIVE CITRUS PRODUCTION

Prospective citrus production is about 10 percent above 1964-65, according to the January 1 estimate of the 1965-66 crop. The orange crop is expected to total 132.2 million boxes, about 9 percent above 1964-65. Prospective production of grapefruit (46.0 million boxes) is 12 percent above 1964-65 while the lemon crop at 17.2 million boxes is 18 percent larger.

FEED GRAIN SUPPLY

The feed grain supply for 1965-66 is estimated at 217 million tons on the basis of the December annual crop summary, 9 million more than year earlier but about 5 million less than the 1959-63 average. Production in 1965 totaled 161 million tons, 23 million more than the short crop a year earlier and a little above the previous record in 1963. With larger domestic use and exports in prospect for 1965-66, most of this year's record crop is expected to be consumed. Only a small increase in carryover is in prospect. The carryover into 1965-66 was reduced to 55 million tons, 14 million under a year earlier.

MILK PRODUCTION

December milk production in the United States is estimated at nearly 9.6 billion pounds, 4 percent below December 1964, when output set a record high for the month. The preliminary estimate of total production during 1965 is about 125.5 billion pounds, 1 percent less than the record-high total for 1964.

SOYBEAN CRUSHINGS

Soybean crushings during September–November 1965 totaled 123 million bushels, 1 million below the same months in 1964. The crush was held down in September and October because of the scarcity of beans but in November it set a new monthly record of 48 million bushels. Monthly soybean processing capacity for the 1965–66 marketing year is estimated at 50 million bushels. Crushings for the entire marketing year probably will exceed the 1964–65 record of 479 million bushels by a tenth. Soybean prices are expected to continue strong, averaging well above support. Preliminary estimate of the 1965–66 season average price received by farmers is \$2.37 per bushel compared with \$2.62 in 1964–65.

FARM TAX LEVIES GAIN AGAIN

Three States Account for Big Share

Taxes levied on farm real estate in 1964 (latest available figures) totaled more than \$1.5 billion, up 5.3 percent from 1963. This was the 22d year in a row that farm real estate taxes rose. Three States, California, Illinois, and Iowa, accounted for more than a fourth of the total.

Most taxes on farm real estate are imposed by local governments. In 1964, the U.S. average was \$1.51 an acre, compared with \$1.43 in 1963. However, the effective tax rate declined from \$1.03 per \$100 of value in 1963 to \$1.02 in 1964 because market values of privately owned farm real estate rose faster than taxes.

Taxes per acre of farm real estate in 1964 were higher than in 1963 in every State except Montana, which showed a small decline. Hawaii had

the greatest increase, 18 percent. Four other States had gains of over 10 percent.

As in recent years, 1964 taxes per acre averaged highest in New Jersey at \$12.10; lowest in New Mexico at 18 cents.

Variations among States in the average tax reflect differences in the value of farmland and in the value of improvements, as well as the importance of the property tax in financing State and local governments. Thus, for example, taxes average highest in Connecticut, Massachusetts, New Jersey, and Rhode Island—States where property levies are a major source of government revenue. Also, farms in these States are typically small, intensively operated, high in value, with large investments in improvements.

NEW COMPUTER, NEW CODES

To Speed SRS Crop and Livestock Reporting

A new computer. New coding systems. They should make 1966 a very important year for the Statistical Reporting Service.

Computers are far from new to SRS. At least some of the processing of crop and livestock figures has been done electronically for some time. The new equipment will enable SRS people to do even more work by computer and to do it all more efficiently. During the June peak workload the past 2 years, 11 computers in 7 different locations were needed to get everything done on time.

The new computer is a "third generation" model, one of the latest, most up-to-date computers available. The funds for it were approved by Congress last fall in the Food and Agriculture Act of 1965. The computer will benefit several other USDA agencies that will share its use with SRS.

To house the new computer, a special site has been prepared in USDA's south building. A glassed-in room provides the constant temperature and humidity necessary for the equipment to work

properly. The computer will be installed early this spring.

New codes also will facilitate the processing of data. One code, already completed, is geographic. It ties in with a code used by the Bureau of the Census. The SRS version also has numbers for the crop reporting districts.

The SRS people who prepared the geographic code are now at work on a system of numbers to identify farm commodities. The part for field crops is near completion; those for fruits and vegetables, livestock, dairy, and agricultural prices should be finished by the end of 1966.

Eventually, it may be feasible for SRS State offices to transmit data by wire into the computer in Washington. Then, after processing, results could be flashed back to States, speeding the release of SRS reports. But the most important segment of the whole process will still be the crop reporters who volunteer their time to mail their cards to the State statisticians.

Output of Seed Crops Down 13 Percent

Production of 17 kinds of seeds for hay, pasture, turf, and winter cover crops is estimated at 594 million pounds, down 13 percent from 1964. Most kinds of the seeds had a decline in production.

The sharpest declines were for hairy vetch, 55 percent, and white clover, crimson clover, and sweetclover, more than a fourth each. The most notable gains were for lespedeza, 27 percent, Kentucky bluegrass other than Merion, 16 percent, and red fescue, 12 percent.

Record high yields were reported for three seed crops—red clover, sweetclover, and lespedeza. Yields of alfalfa seed equaled the 1964 record high. Record low yields were reported for hairy vetch.

Carryover by dealers and growers of 17 kinds of seeds on June 30, 1965, totaled over 207.5 million pounds, 14 percent above a year earlier. Carry-

over of hay and pasture legume seeds was up 18 percent. Stocks of the eight grass seeds held by dealers and farmers were up 15 percent from June 30, 1964. Stocks of winter cover crops were 7 percent larger.

The initial supply (1965 production plus June 30 carryover) of the 17 kinds of seeds is indicated at nearly 801.4 million pounds, 7 percent less than last year's total.

Prices received by growers for 1965 crop seeds were above year-earlier levels for nine crops; below for seven crops. In legumes, prices were higher for alfalfa and sweetclover seeds. Grass seed crops that brought higher prices were Merion Kentucky bluegrass, bentgrass, Chewings fescue, and red fescue. Prices for all winter cover crop seeds were higher in 1965 than in 1964.

Statistical Reporting Service

Potato Picture

Potato production in the United States, excluding Hawaii and Alaska, was nearly 289 million hundredweight in 1965. This was 21 percent above 1964 and the third largest crop on record. The average yield of 206 hundredweight per acre was record high. The 1964 average was 185 hundredweight.

There were more than 1.4 million acres of potatoes harvested last year, the most since 1961 and 8 percent above 1964. All seasonal crops except winter potatoes contributed to the gain in output. The late spring and fall crops showed the largest gain. Heavier 1965 plantings in most areas of the country were encouraged by good demand and relatively high prices for the 1964 crop.

The 1965 seasonal crops and their changes from 1964 were: *Winter*, over 3.6 million hundredweight, down 1 percent; *early spring*, nearly 4.9 million,

up 18 percent; *late spring*, 25.1 million, up 24 percent; *early summer*, 11.9 million, up 4 percent; *late summer*, 29.9 million, up 8 percent; and *fall*, 213.4 million, up 24 percent.

In the eastern States, the fall crop was about 4 percent below 1964 because of a sharp decline in Maine. The fall crop in the central States was up 30 percent while production in the western region rose 48 percent.

Sweetpotato production in 1965 amounted to almost 18 million hundredweight. This was 17 percent more than in 1964 and 6 percent above average. Harvested acreage, at 202,200, was 11 percent above 1964. An increase in the average yield also boosted production. All major States except Virginia had larger crops than in 1964.

Statistical Reporting Service

SUGARBEETS: New Crop in Arizona

A number of farmers in central Arizona are planning a new crop. For the first time they'll put out 20,000 acres of sugarbeets next fall.

Agricultural economists figure that sugarbeet yields and production costs in central Arizona will be quite similar to those in the Imperial Valley of California. During 1955-64, Imperial Valley yields per acre averaged 21 tons with 16 percent sugar—or about 6,700 pounds of sugar.

Due to differences between the Imperial Valley and Arizona in soil, climate, and other factors, average yields per acre of about 6,300 pounds of sugar are estimated for central Arizona.

Farm prices for beets depend on both their sugar content and on the net selling price of sugar. During 1957-61, the net selling price for Imperial Valley sugar was \$7.47 per 100 pounds. The net price for central Arizona is figured at \$7.50 to \$8 per 100 pounds. Thus, for beets containing 15¾ percent sugar, farmers would receive \$11.21 per ton. In addition, complying with sugarbeet program provisions would qualify them

for a Government payment of \$2.24 per ton.

On the basis of the prices and yields assumed, sugarbeets would return about \$278 per acre in gross income to central Arizona farmers. (This includes \$9 per acre for using the tops as feed.)

In figuring the net return per acre, only the *added* costs (fertilizer, insecticides, labor, fuel, oil, and the like) need considering. The *fixed* costs (for real estate taxes, rent or other charges for land, and depreciation) are the same regardless of the crop grown. The *added* costs of sugarbeets are estimated at \$212 per acre. Thus, net returns would be \$66.

This makes sugarbeets a poor second to cotton. An acre of beets would produce only a third as much net income as cotton at its 1958-64 price of 31½ cents per pound.

However, when compared to other crop enterprises, net income from sugarbeets is double that for barley or early-planted grain sorghum, 50 percent higher than double-cropped barley and grain sorghum, and about 15 percent higher than alfalfa with a yield of 6.5 tons per acre.

MEET THE STATE STATISTICIAN . . .



RAYMOND HILE

In 1946, Ray went to Salt Lake City to be second in charge of the Utah office, and in 1951 to Portland, Oreg., in the same position. In 1956 he was placed in charge of the Oregon office.

Married in 1938, the Hiles, now a family of four, are much interested in sports, camping, hunting, and fishing. Son Kenneth and daughter Kristle particularly enjoy skiing, on water or snow. The Hiles also find time for church activities, lodge and club meetings.

Ray Hile's father used to say, with a trace of disgust, that his second son was more interested in how many eggs the hens laid or in how many bushels of corn the field yielded than in gathering the eggs or plowing the corn. But if young Ray's qualifications for farming were doubtful, his liking for facts and figures suited him ideally for a career as an agricultural statistician.

Ray was born on a farm near Fairfield, Nebr., the second of five children. By the time he graduated from high school, the family had moved twice, first to Cherry County, then to Franklin County.

Ray received his degree from the University of Nebraska in 1932, majoring in agricultural economics. He also did some graduate work at Iowa State University in 1938.

After a variety of jobs for short periods, Ray joined the Government in 1934 as an agricultural economist with USDA's Bureau of Agricultural Economics. Stationed in Lincoln, he frequently visited the State statistician's office for facts and figures on Nebraska's agriculture. The work there obviously grew more and more interesting to him; in 1944 he transferred to Agricultural Estimates.

Ray's interest in his work undoubtedly is due in part to the wide range of farm enterprises and products produced in Oregon. Thanks to the Cascade Mountains which divide the State, annual rainfall varies from about 8 inches in the extreme eastern part to over 100 inches at some points on the Pacific Coast. As a result, Oregon's farmers produce everything from cattle to peppermint.

Eastern Oregon is best known for fall seeded wheat and range livestock. In addition, potatoes, alfalfa, and seed crops are grown in several irrigated areas.

Western Oregon has large acreages of vegetables, including the famous Blue Lake pole beans. Many berries and specialty crops, such as peppermint, hops, and vegetable seeds, also are produced in this area. Field crops include barley and grass seeds. Major animal products are turkeys, broilers, eggs, and milk. Fine fruit, particularly winter pears and sweet cherries, are also produced.

In terms of income from farm marketings, the leading products are cattle and calves—\$78 million, wheat—\$42 million, and milk—\$38 million.

VEGETABLE OUTPUT ABOVE 1964 LEVEL

January 1966

In This Issue

Production of the 27 principal fresh market vegetables and melons in 1965 was 4 percent above the year before and 3 percent above average, the Crop Reporting Board has announced. The output of 222.0 million hundredweight compares with 214.1 million in 1964.

Major vegetables and melons responsible for the gain from 1964 were carrots, celery, sweet corn, honeydew melons, lettuce, onions, and watermelons. Lettuce and onion production reached record highs in 1965.

The value of the principal vegetable and melon crops came to \$1,022 million, 5 percent above 1964. Tomatoes and lettuce led in value; together, they accounted for 37 percent of the total.

The 1965 strawberry crop of 461 million pounds was down 16 percent from 1964 and 8 percent below average. Production for fresh market accounted for 59 percent of the crop; processors bought the rest.

Output of the 10 principal vegetables grown for commercial processing totaled over 8.3 million tons. This was 3 percent above 1964 and 5 percent above the 1959-63 average. However, the 1965 tonnage was 11 percent below the record-large 1962 figure. (Production estimates include tonnage from mature acreage not harvested because of economic factors.)

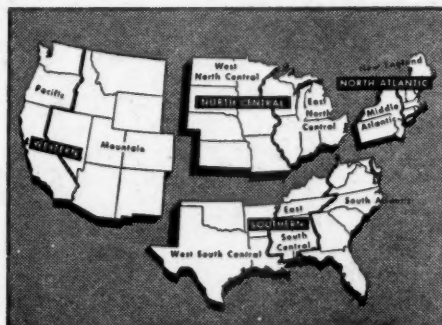
Most processing vegetables had tonnage gains in 1965: Cabbage for kraut, up 41 percent; green peas, up 24 percent; green lima beans, up 20 percent; snap beans, up 14 percent; sweet corn, up 10 percent; and cucumbers for pickles, up 4 percent. Crops that declined in production are: Spinach, down 15 percent; asparagus, down 6 percent; tomatoes, down 4 percent; and beets for canning, down 2 percent.

The 1965 value of all vegetables processed totaled more than \$400.8 million, up 15 percent from a year earlier.

Yields for processing vegetables averaged above 1964 for all crops except spinach, which was unchanged.

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